

City Council Introduction: August 28, 2006

Bill Number 06-146

Public Hearing: September 11, 2006

FACT SHEET

TITLE: Lease of a 90-horse power class backhoe loader for use by the Public Works & Utilities Water Division in construction and maintenance projects.

SPONSOR: Public Works & Utilities

OPPONENTS: Unknown

STAFF RECOMMENDATION: For

OTHER DEPARTMENTS AFFECTED:

None

APPLICANT: Public Works & Utilities

REASON FOR LEGISLATION: To accept and approve a five year/3,500 hour lease agreement with a buy out option between the City of Lincoln and Merchants Capitol Resources, Inc. to provide a 90-horse power class backhoe loader for use by the Public Works & Utilities Water Division in construction and maintenance projects.

DISCUSSION

In leasing this equipment we are controlling our depreciation and maintenance liability through a fixed residual or buy out cost and maintenance contract. It also allows us to completely evaluate all factors associated with securing equipment at the lowest overall cost prior to making a purchase commitment.

POLICY OR PROGRAM CHANGE: No

COST OF TOTAL PROJECT: \$32,310.70

SOURCE OF FUNDS: Water Operating Budget

CITY: \$32,310.70

NON CITY: None

BENEFIT COST:

FACT SHEET PREPARED BY:

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REVIEWED BY:

Director of Public Works & Utilities